

Message Text

UNCLASSIFIED

PAGE 01 STOCKH 01630 080915Z

50

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PA-02 USIA-15 PRS-01 SP-02

TRSE-00 OMB-01 NIC-01 /054 W
----- 034744

R 080850Z APR 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 4355

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY OSLO

UNCLAS STOCKHOLM 1630

E.O. 11652: N/A

TAGS: ELAB, SW

SUBJECT: DEADLOCK IN LABOR-MANAGEMENT NEGOTIATIONS

REF: STOCKHOLM 800

1. PRIVATE SECTOR BLUE-COLLAR CONTRACT NEGOTIATIONS BEGUN LAST NOVEMBER WERE BROKEN OFF BY LO ON APRIL 6 AFTER IT REFUSED TO ACCEPT LATEST SAF OFFER. EMPLOYER PROPOSAL WOULD HAVE RESULTED IN 27.6 PERCENT BOOST IN LABOR COSTS OVER 2-YEAR PERIOD (INCLUDING 8.6 PERCENT RISE IN SOCIAL PAYMENTS AND 6 PERCENT FOR WAGE DRIFT) AS COMPARED TO 35.5 PERCENT DEMANDED BY LO. TRANSLATED INTO CASH WAGES, EMPLOYER OFFER AMOUNTED TO INCREASE OF 8.1 PERCENT IN 1975 AND 4.2 PERCENT IN 1976.

2. GOVERNMENT IS NOW EXPECTED TO APPOINT MEDIATION COMMISSION WITHIN NEXT SEVERAL DAYS AT WHICH TIME TALKS WILL PROBABLY BE RESUMED. THIS IS NOT UNUSUAL OCCURRENCE IN HISTORY OF CENTRAL NEGOTIATIONS. DURING LAST 20 YEARS, ONLY FIVE LO-SAF AGREEMENTS HAVE BEEN CONCLUDED WITHOUT ASSISTANCE OF MEDIATORS.

3. ACCORDING LO PRESIDENT GUNNAR NILSSON, MAJOR UNRESOLVED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STOCKH 01630 080915Z

ISSUE IS WAGES. ALMOST EQUALLY TROUBLESOME IS EMPLOYER

REJECTION OF LO DEMAND FOR REOPENING OF NEGOTIATIONS ON DECEMBER 1 IN EVENT WHITE-COLLAR GROUPS, WHICH ARE ALSO NOW BARGAINING, RECEIVE HIGHER SETTLEMENTS. AT SAME TIME IT WITHDREW FROM BARGAINING TABLE, LO ADVISED AFFILIATED NATIONAL UNIONS TO TERMINATE INDUSTRY-LEVEL AGREEMENTS WHICH HAVE BEEN RENEWED ON WEEKLY BASIS SINCE BEGINNING OF YEAR. PURPOSE OF THIS STEP IS TO REMOVE LEGAL IMPEDIMENT AGAINST STRIKE ACTION. HOWEVER, NO ONE AT THIS MOMENT SERIOUSLY ANTICIPATES RESORT TO OPEN CONFLICT.

4. BREAKDOWN OF LO-SAF TALKS HAS ADDED TO GENERAL STATE OF UNEASINESS ON SWEDISH LABOR SCENE. NEGOTIATIONS IN OTHER AREAS ARE NOT FARING MUCH BETTER. THERE IS MUCH SPECULATIONS THAT BARGAINING IN CENTRAL AND LOCAL GOVERNMENT SECTORS ARE IN SERIOUS TROUBLE AND, IN CASE OF FORMER, MAY SOON STALL COMPLETELY. WHITE-COLLAR NEGOTIATIONS IN PRIVATE INDUSTRY WHICH HAVE BEEN PURSUED ON COMPANY-BY-COMPANY BASIS HAVE REPORTEDLY NOT PRODUCED SINGLE IMPORTANT AGREEMENT SO FAR. MORE DISTURBING STILL HAS BEEN WILDCAT WALKOUT BY ALL FORESTRY WORKERS IN NORTHERN SWEDEN. STRIKE INVOLVES 15,000 WORKERS, MORE THAN HALF OF INDUSTRY WORK-FORCE, AND IS LARGEST STOPPAGE SINCE 1945 METAL WORKER STRIKE.

5. COMMENT: IMPORTANT FACTOR CONTRIBUTING TO LABOR'S TOUGH BARGAINING POSTURE IS INCREASINGLY LARGE TAX BITE ON WORKERS' PAY PACKETS AS INCOMES MOVE INTO HIGHER CATEGORIES OF TAX SCALES. ON OTHER SIDE, COMPANIES ARE FIRMLY RESISTING LARGER WAGE INCREASES DUE CONCERN OVER COMPETITIVE POSITION IN OVERSEAS MARKETS. THE GOVERNMENT, FOR ITS PART, IS CONCERNED OVER INFLATIONARY IMPACT OF LARGE WAGE INCREASE.
STRAUSZ-HUPE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COLLECTIVE BARGAINING, LABOR RELATIONS, LABOR UNIONS, ORGANIZATION & MANAGEMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 08 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STOCKH01630
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750121-0559
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750469/aaaacluk.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STOCKHOLM 800
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 27 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 JUN 2003 by SilvaL0>; APPROVED <16 JAN 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DEADLOCK IN LABOR-MANAGEMENT NEGOTIATIONS
TAGS: ELAB, SW
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006